

**DEPARTMENT OF THE TREASURY**

**ALCOHOL AND TOBACCO TAX AND TRADE BUREAU**

**Supporting Statement -- Information Collection Request**

**OMB Control Number 1513-0010**

**Formula and Process for Wine**

**A. Justification**

1. *What are the circumstances that make this collection of information necessary, and what legal or administrative requirements necessitate the collection? Also align the information collection to TTB's Line of Business/Sub-function and IT Investment, if one is used.*

The Alcohol and Tobacco Tax and Trade Bureau (TTB) administers chapter 51 (distilled spirits, wine, and beer), chapter 52 (tobacco products, processed tobacco, and cigarette papers and tubes), and sections 4181-4182 (firearms and ammunition excise taxes) of the Internal Revenue Code of 1986, as amended, (IRC, 26 U.S.C.) pursuant to section 1111(d) of the Homeland Security Act of 2002 (6 U.S.C. 531(d)). In addition, the Secretary of the Treasury (Secretary) has delegated certain IRC administrative and enforcement authorities to TTB through Treasury Department Order 120-01.

In addition to imposing Federal excise taxes on wines produced or imported into the United States, the IRC places certain formula requirements on certain wines and authorizes the Secretary to issue regulations regarding the production of wines. This includes 26 U.S.C. 5386, which requires special natural wine to be made pursuant to an approved formula, and 26 U.S.C. 5361, 5362(d), 5387, and 5388(b), which authorize the Secretary to issue regulations governing the production of wines other than natural wines.

Under those authorities, the TTB regulations in 27 CFR Part 24, Wine, and 27 CFR Part 26, Liquors and Articles from Puerto Rico and the Virgin Islands, require proprietors intending to produce special natural wine, agricultural wine, other than standard wine, or nonbeverage wine to submit, and obtain TTB's prior approval of, the formula by which the wine, or wine product made from wine, is to be made. Specifically, these regulations are found in 27 CFR chapter I at:

§ 24.80	§ 24.81	§ 24.82	§ 24.86	§ 24.87	§ 24.192
§ 24.196	§ 24.198	§ 24.201	§ 24.211	§ 24.214	§ 26.50(b)
§ 26.53	§ 26.54	§ 26.220(b)	§ 26.223	§ 26.224.	

In general, those regulations allow proprietors to file such formula approval requests on form TTB F 5120.29, Formula and Process for Wine, which identifies the proprietor, the type of wine or wine product to be made, and the ingredients and processes by which the wine or wine product is to be made.

This information collection is aligned with —

- Line of Business/Sub-function: General government / Taxation management.
- IT Investment: Formulas Online.

2. *How, by whom, and for what purpose is this information used?*

Respondents use TTB F 5120.29 to file formula approval requests for special natural wine, agricultural wine, other than standard wine, or nonbeverage wine. TTB uses the collected information to protect the revenue and to protect the public from unsafe, misidentified, or mislabeled wines and wine products. To do so, TTB personnel review the collected information to determine if the applicant meets the formula requirements for the described wine or wine product, including:

- If the proposed ingredients are safe for human consumption (that is, all ingredients are approved by the U.S. Food and Drug Administration or are Generally Recognized as Safe for food and beverage use);
- If approved production techniques are used;
- The proper class and type of the alcohol beverage and the appropriate label designation of the product; and
- In the case of nonbeverage wine (withdrawn free of tax under the IRC at 26 U.S.C. 5362(d)), that the wine has been rendered unfit for beverage use.

3. *To what extent does this collection of information involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology? What consideration is given to use information technology to reduce burden?*

TTB has approved and will continue to approve, on a case-by-case basis, the use of improved information technology for the collection and maintenance of required information. Currently, TTB F 5120.29 may be scanned and uploaded electronically via Formulas Online, TTB's online formula submissions portal, at <https://www.ttbonline.gov/ttbonline/>. That form also is available on the TTB Web site at <https://www.ttb.gov/forms/index.shtml> as a fillable-printable form.

4. *What efforts are used to identify duplication? Can similar information already available be used or modified for use for the purposes described in Item 2 above?*

This collection requirement contains information pertinent to each respondent and applicable to the specific issue of formula and process approvals for wine. Most respondents now use TTB's electronic formula submissions portal, Formulas Online, or its paper equivalent, TTB F 5100.51, to submit such applications to TTB. However, for the time being, TTB continues to allow respondents to file the required wine formula and process information using the legacy form TTB F 5120.29. As far as TTB can determine, similar information is not available elsewhere.

*5. If this collection of information impacts small businesses or other small entities, what methods are used to minimize burden?*

The wine formula and process information required under this collection request protects the revenue and protects the public from unsafe and mislabeled products, and, therefore, the collection's requirements cannot be waived due to the size of the respondent's business. However, TTB believes that this information collection does not have a significant impact on a substantial number of small businesses or other entities.

*6. What consequences to Federal program or policy activities and what, if any, technical or legal obstacles to reducing burden will occur if this collection is not conducted or is conducted less frequently?*

If TTB did not collect the information required under this collection request, it could not protect the revenue and protect the public from potentially unsafe or mislabeled wines and wine products,

*7. Are there any special circumstances associated with this information collection that would require it to be conducted in a manner inconsistent with OMB guidelines?*

There are no special circumstances associated with this information collection that require it to be inconsistent with OMB guidelines.

*8. What effort was made to notify the general public about this collection of information? Summarize the public comments that were received and describe the action taken by the agency in response to those comments.*

To solicit comments from the general public, TTB published a "60-day" comment request notice for this information collection in the Federal Register on March 28, 2019, at 84 FR 11867. TTB received no comments on this information collection in response.

*9. Was any payment or gift given to respondents, other than remuneration of contractors or grantees? If so, why?*

No payment or gift is associated with this information collection.

*10. What assurance of confidentiality was provided to respondents, and what was the basis for the assurance in statute, regulations, or agency policy?*

No specific assurance of confidentiality for this information collection is provided on TTB F 5120.29. However, Federal law at 5 U.S.C. 552 protects the confidentiality of proprietary information obtained by the Government from regulated businesses and individuals, and 26 U.S.C. 6103 prohibits disclosure of tax returns and related information unless disclosure is specifically authorized by that section. TTB maintains these records in secure file rooms and computer systems with controlled access.

11. *What is the justification for questions of a sensitive nature? If personally identifiable information (PII) is being collected in an electronic system, identify the Privacy Impact Assessment (PIA) that has been conducted for the information collected under this request and/or the Privacy Act System of Records notice (SORN) issued for the electronic system in which the PII is being stored.*

This information collection contains no questions of a sensitive nature. Also, this information collection does not collect personally identifiable information (PII) in a Government electronic system. Therefore, no Privacy Impact Assessment (PIA) or System of Records Notice (SORN) is required for this collection.

12. *What is the estimated hour burden of this collection of information?*

Based on recent data, TTB estimates that 30 respondents will submit 5 responses on TTB F 5120.29 per year (on occasion), for a total of 150 annual responses. TTB also estimates that respondents require 2 hours to complete each response, resulting in a total estimated burden of 300 hours.

(30 respondents x 5 responses/year = 150 annual responses x 2 hours/response = 300 total estimated burden hours.)

13. *What is the estimated annual cost burden to respondents or record keepers resulting from this information collection request (excluding the value of the hour burden in Question 12 above)?*

There is no cost to respondents associated with this occasional information collection.

14. *What is the annualized cost to the Federal Government?*

Estimates of annual cost to the Federal Government are:

Clerical costs	190
Other Salary costs (review, supervisory, etc.)	1,135
<b>TOTAL COSTS</b>	<b>\$ 1,325</b>

Printing and distribution costs to the Federal government have decreased to \$0.00 in TTB's cost estimate due to the availability of TTB forms to the public on the TTB website at <https://www.ttb.gov>.

15. *What is the reason for any program changes or adjustments reported?*

There are no program changes associated with this collection. As for adjustments, while the number of annual respondents to this collection remains 30, due to a change in agency estimates, TTB is increasing the number of TTB F 5120.29 forms submitted by each of those respondents from one per year to five. In turn, that change increases the total number of annual responses to this collection from 30 to 150, and increases its total estimated annual burden hours from 60 to 300. The change in agency estimates results from TTB's use of improved information technology, which has improved TTB accounting of the forms submitted to it, including TTB F 5120.29.

16. *Outline plans for tabulation and publication for collections of information whose results will be published.*

TTB will not publish the results of this information collection.

17. *If seeking approval to not display the expiration date for OMB approval of this information collection, what are the reasons that the display would be inappropriate?*

TTB will display the expiration date of OMB approval for this information collection on its related form, TTB F 5120.29.

18. *What are the exceptions to the certification statement?*

- (c) See item 5 above.
- (f) This is not a recordkeeping requirement.
- (i) No statistics are involved.

**B. Collections of Information Employing Statistical Methods.**

This collection does not employ statistical methods.